

AMENDED IN ASSEMBLY SEPTEMBER 1, 2009

AMENDED IN ASSEMBLY JULY 9, 2009

AMENDED IN ASSEMBLY JUNE 23, 2009

AMENDED IN SENATE MAY 28, 2009

AMENDED IN SENATE APRIL 30, 2009

AMENDED IN SENATE APRIL 13, 2009

## SENATE BILL

**No. 406**

---

**Introduced by Senator DeSaulnier**

February 26, 2009

---

An act to amend Section 65040.6 of, and to add Section 65083 to, the Government Code, *to amend Sections 41081, 44223, and 44225 of the Health and Safety Code*, to amend Section 75125 of the Public Resources Code, and to add Section 9250.6 to the Vehicle Code, relating to land use.

### LEGISLATIVE COUNSEL'S DIGEST

SB 406, as amended, DeSaulnier. Land use: environmental quality.

The Planning and Zoning Law establishes the Planning Advisory and Assistance Council in the Office of Planning and Research, and prescribes the membership and duties of the council. ~~Existing law authorizes the Department of Motor Vehicles to collect a surcharge imposed on vehicle registration fees by ordinance or resolution of a local entity~~

This bill would change the designated membership, as specified, of the Planning Advisory and Assistance Council and would require that the council work with the Strategic Growth Council, regional agencies,

and cities and counties to facilitate the implementation of regional blueprint plans. The bill would also require the council to develop and propose recommendations to specified state agencies to facilitate coordination between regional blueprint plans, state growth and infrastructure funding plans, and programs that facilitate the implementation of regional blueprint plans. The bill would further require the council to report to the Legislature on regional performance measures, as specified, and on the manner in which state agencies are implementing the 5-year infrastructure plan. The bill would require the council to begin to perform the above functions and duties when sufficient funding, as determined by the council, exists from the revenue transmitted to it by metropolitan planning organizations, councils of governments, or county transportation commissions and subregional councils of governments jointly preparing subregional sustainable communities strategies.

*Existing law authorizes a local air quality management district, except the Sacramento district, that has been designated by the State Air Resources Board as a state nonattainment area for any pollutant emitted by motor vehicles to levy a fee of up to \$6 on motor vehicles registered within the district, subject to specified conditions. Existing law also authorizes the board of the Sacramento district, subject to specified provisions of law or with the approval of the board of supervisors of each county included, in whole or in part, within the district, to adopt a surcharge, not to exceed \$6, on the motor vehicle registration fees applicable to all motor vehicles registered in those counties within the Sacramento district whose boards of supervisors have adopted a resolution approving the surcharge, subject to additional specified conditions.*

*The bill would provide that if the local air quality management district, or the Sacramento district, as the case may be, requests an increase in the fee or surcharge authorized by either of the above provisions for the purpose of transferring the additional revenue generated to a metropolitan planning organization, a council of governments, or a county transportation commission and a subregional council of governments jointly preparing a sustainable communities strategy, the district, or Sacramento district, would not be subject to the conditions on the authorizations contained in the above provisions.*

~~The bill would also authorize~~ *require upon the request of a municipal planning organization, as defined, a council of governments, as defined, or a county transportation commission and a subregional council of*

governments jointly preparing a subregional sustainable communities strategy, to impose a surcharge of \$1 or \$2 on motor vehicles registered to an owner with an address in the entity's or entities' jurisdiction, only if the metropolitan planning organization or the council of governments adopts, or a county transportation commission and a subregional council of governments jointly preparing a subregional sustainable communities strategy adopt, a resolution authorizing the surcharge a district, or the Sacramento district, to request that the Department of Motor Vehicles increase the fee on motor vehicles within the district, or the surcharge on motor vehicles registered in those counties within the Sacramento district, as the case may be, by \$1 or \$2. The bill would require the department to transmit the additional fee revenue to the district quarterly, after deducting its costs incurred in administering the additional fee from that revenue. Upon receipt of the additional fee revenue the district would be required to transfer a portion of that revenue according to an agreement to divide this revenue between the district and the metropolitan planning organization, council of governments, or the county transportation commission and the subregional council of governments jointly preparing a subregional sustainable communities strategy that requested the district initiate the fee, if that agreement has occurred, after deducting its own reasonable administrative costs not to exceed 2 percent of the total additional revenue received by the district, to the metropolitan planning organization, the council of governments, or the county transportation commission and subregional council of governments jointly preparing a subregional sustainable communities strategy that requested that the district initiate the fee increase. The bill would authorize the additional fee amount to be authorized only if the metropolitan planning organization, the council of governments, or the county transportation commission and the subregional council of governments jointly preparing a subregional sustainable communities strategy adopts a resolution, as specified, authorizing the additional fee. The bill would require the additional fee to apply to an original vehicle registration occurring on or after 6 months following the adoption of the resolution, and to a renewal of registration with an expiration date on or after that 6-month period. The surcharge additional would be required to apply to an original vehicle registration occurring on or after 6 months following the adoption of the resolution, as specified, and to a renewal of registration with an expiration date on or after that 6-month period. The surcharge would be collected by the Department of Motor Vehicles and, after

deducting its administrative costs, would be transmitted to the entity or entities imposing the surcharge. The bill would require the metropolitan planning organization, the council of governments, or the county transportation commission and the subregional council of governments jointly preparing a subregional sustainable communities strategy to contract with the department to pay for the initial setup and programming costs identified by the department, but would also require these costs to be reimbursed from surcharge revenues collected. The bill would require that all revenue received by the local air quality management district pursuant to the above provisions be used by the metropolitan planning organization, the council of governments, or a county transportation commission and a subregional council of governments jointly preparing a subregional sustainable communities strategy pursuant to the above provisions solely to develop a sustainable communities strategy or a regional blueprint plan to identify land use strategies to reduce the use of motor vehicles in its jurisdiction and to carry out applicable transportation-related activities necessary to implement the plan, in order to achieve a specified greenhouse gas emission reduction target; the surcharge. The bill would also additional fee revenue that exceeds \$1 in specified jurisdictions be used to provide grants to cities, counties, and cities and counties, and congestion management agencies for planning and projects related to the implementation of a regional blueprint plan; and 5% of all the surcharge revenue it receives from the first \$1 of the additional fee imposed to be transmitted to the council for performance of specified functions. The bill would provide that the council is to perform specified new functions only when the council has received sufficient revenue from this source. By adding to the duties of local air quality management districts, this bill would impose a state-mandated local program.

The bill would state the intent of the Legislature to update the duties and composition of the Planning Advisory and Assistance Council to assist in the state's land use planning processes by providing funding to support the development and implementation for regional blueprints and related planning and to work with state agencies providing funding for resource protection and local infrastructure to facilitate coordination between state planning and funding decisions and regional blueprints.

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. (a) The Legislature finds and declares the  
2 following:

3 (1) Uncoordinated and unplanned growth together with a lack  
4 of common goals to effect the public's interest in the conservation  
5 and wise use of our lands pose a threat to the environment,  
6 sustainable economic development, and the health, safety, and  
7 high quality of life enjoyed by residents of this state.

8 (2) The enactment of Senate Bill 375 of the 2007–08 Regular  
9 Session (Chapter 728 of the Statutes of 2008) and the establishment  
10 of requirements for regional transportation plans to address  
11 greenhouse gases can only be successfully implemented if regional  
12 and local governments have the tools they need to collaboratively  
13 plan for the type of growth that can achieve these goals, and if that  
14 collaborative planning is coordinated with the efforts of the  
15 Governor's Strategic Growth Council and other state agencies as  
16 required by the enactment of Senate Bill 732 of the 2007–08  
17 Regular Session (Chapter 729 of the Statutes of 2008).

18 (3) Cooperation between regional and local governments and  
19 air districts is essential to the achievement of the greenhouse gas  
20 emission reductions envisioned in regional transportation plans.

21 (4) Therefore, it is in the public interest that state residents,  
22 communities, local governments, air districts, and the private sector  
23 cooperate and coordinate with one another in comprehensive,  
24 sustainable land use planning.

25 (b) It is the intent of the Legislature to update the duties and  
26 composition of the Planning Advisory and Assistance Council to  
27 assist in the state's land use planning processes by providing  
28 funding to support the development and implementation for  
29 regional blueprints and related planning and to work with state  
30 agencies providing funding for resource protection and local  
31 infrastructure to facilitate coordination between state planning and  
32 funding decisions and regional blueprints.

1 SEC. 2. Section 65040.6 of the Government Code is amended  
2 to read:

3 65040.6. (a) The Planning Advisory and Assistance Council  
4 is hereby created within the office, the membership of which shall  
5 be as follows: three city representatives; three county  
6 representatives; seven representatives of regional planning  
7 organizations; one member of the State Air Resources Board; one  
8 member of the California Transportation Commission; one member  
9 of the State Energy Resource Conservation and Development  
10 Commission; one member appointed by the Speaker of Assembly;  
11 one member appointed by the Senate Committee on Rules; and  
12 one representative of Indian tribes and bands which have  
13 reservations or rancherias within California. The city and county  
14 representatives appointed pursuant to this subdivision shall be  
15 selected by the director from nominees submitted by the League  
16 of California Cities and by the California State Association of  
17 Counties. Representatives of regional planning organizations  
18 appointed pursuant to this subdivision shall be selected by the  
19 director from nominees submitted by the regional planning  
20 organizations set forth in paragraphs (1) to (5), inclusive, of  
21 subdivision (b) and from nominees submitted by the California  
22 Association of Councils of Governments for the representatives  
23 of organizations set forth in paragraphs (6) and (7) of subdivision  
24 (b). The representative of Indian tribes and bands shall be a member  
25 of one tribe or band, and shall be selected by the director.

26 Appointment to the advisory council shall be for a term of two  
27 years, provided that the members of the first council shall classify  
28 themselves by lot so that one-half shall serve an initial term of one  
29 year and one-half shall serve an initial term of two years. Vacancies  
30 shall be filled in the same manner provided for the original  
31 appointment.

32 (b) Seven of the council's members shall be from the governing  
33 body of each of the following:

34 (1) The Southern California Association of Governments.

35 (2) The Metropolitan Transportation Commission or the  
36 Association of Bay Area Governments. The person appointed to  
37 the council pursuant to this paragraph shall be a member of the  
38 governing body for both the Metropolitan Transportation  
39 Commission and the Association of Bay Area Governments.

40 (3) The San Diego Association of Governments.

1 (4) The Sacramento Area Council of Governments.

2 (5) The San Joaquin Valley Regional Policy Council.

3 (6) A metropolitan planning organization or council of  
4 governments that is not identified in paragraphs (1) to (5),  
5 inclusive.

6 (7) A regional transportation planning agency, as defined in  
7 Section 65080, that is neither a metropolitan planning organization  
8 nor a council of governments.

9 (c) The council shall provide such advice as may be necessary  
10 to assist the office in discharging the requirements of Sections  
11 65040 to 65040.4, inclusive. In particular, the council shall:

12 (1) Assist the office in the preparation of the state long-range  
13 goals and policies, in the manner specified in subdivision (a) of  
14 Section 65040.

15 (2) Evaluate the planning functions of the various state agencies  
16 involved in planning, in the manner specified in subdivision (c)  
17 of Section 65040.

18 (3) Make appropriate decisions and provide such advice and  
19 assistance as may be required by federal statute or regulation in  
20 connection with any federal program administered by the office.

21 (4) Work with the Strategic Growth Council, created pursuant  
22 to Section 75121 of the Public Resources Code, regional agencies,  
23 such as metropolitan planning organizations or councils of  
24 governments, and with cities and counties to facilitate the  
25 implementation of regional blueprint plans.

26 (5) Develop and propose recommendations to the Strategic  
27 Growth Council, created pursuant to Section 75121 of the Public  
28 Resources Code, the Department of General Services, the State  
29 Allocation Board, the Department of Housing and Community  
30 Development, *the Department of Transportation*, the California  
31 Transportation Commission, and any other state agencies that  
32 affect land use, housing, or transportation in order to facilitate  
33 coordination between regional blueprint plans, state growth and  
34 infrastructure funding plans, and programs that facilitate the  
35 implementation of regional blueprint plans.

36 (6) Receive reports, including, but not limited to, a copy of the  
37 five-year infrastructure plan described in Section 13102.

38 (7) Report to the Legislature, in consultation and coordination  
39 with the Strategic Growth Council, created pursuant to Section  
40 75121 of the Public Resources Code, on the manner in which state

1 agencies are implementing the requirements of Chapter 1016 of  
2 the Statutes of 2002.

3 (8) Report to the Legislature on regional performance measures,  
4 evaluating the progress of each region of the state in improving  
5 results for its residents in employment, environmental protection,  
6 education, housing, mobility, and other criteria as determined by  
7 the council. The council shall provide the Legislature with updates  
8 to the report periodically, as the council determines is required.

9 (d) The council shall meet on call of the director of the office,  
10 who shall convene at least two council meetings during each year.

11 (e) Council members shall serve without compensation, but  
12 they may be reimbursed for actual expenses incurred in connection  
13 with their duties.

14 (f) The council shall begin to perform the functions and other  
15 duties set forth in paragraphs (4) to (8), inclusive, of subdivision  
16 (c) when sufficient funding, as determined by the council, exists  
17 from the revenue transmitted to it by metropolitan planning  
18 organizations, councils of governments, or county transportation  
19 commissions and subregional councils of governments jointly  
20 preparing subregional sustainable communities strategies pursuant  
21 to subdivision (b) of Section 65083.

22 SEC. 3. Section 65083 is added to the Government Code, to  
23 read:

24 65083. (a) ~~Upon the request of a~~ metropolitan planning  
25 organization, as defined in Section 134 of Title 23 of the United  
26 States Code, a council of governments, as defined in Section 65582,  
27 or a county transportation commission and a subregional council  
28 of governments jointly preparing a subregional sustainable  
29 communities strategy pursuant to subparagraph (C) of paragraph  
30 (2) of subdivision (b) of Section 65080 ~~may impose a surcharge~~  
31 ~~of, a local air quality management district shall request that the~~  
32 ~~Department of Motor Vehicles increase the fee imposed by Section~~  
33 ~~9250.2 or 9250.17 of the Vehicle Code by one dollar (\$1) or two~~  
34 ~~dollars (\$2) pursuant to Section 9250.6 of the Vehicle Code, on a~~  
35 ~~motor vehicle registered to an owner with an address in its~~  
36 ~~jurisdiction. The surcharge may be imposed. The department shall~~  
37 ~~transmit the additional fee revenue to the local air quality~~  
38 ~~management district quarterly, after deducting its costs incurred~~  
39 ~~in administering the additional fee from that revenue. Upon receipt~~  
40 ~~of the additional fee revenue from the department, the local air~~



1 *quality management district shall transfer a portion of that revenue,*  
2 *pursuant to the agreement described in subdivision (c) after*  
3 *deducting its own reasonable administrative costs not to exceed*  
4 *2 percent of the total additional fee revenue received by the local*  
5 *air quality management district, to the metropolitan planning*  
6 *organization, the council of governments, or the county*  
7 *transportation commission and subregional council of governments*  
8 *jointly preparing a subregional sustainable communities strategy*  
9 *that requested that the local air quality management district initiate*  
10 *the fee increase. The additional fee amount may be authorized*  
11 *only if the metropolitan planning organization, the council of*  
12 *governments, or a county transportation commission and a*  
13 *subregional council of governments jointly preparing a subregional*  
14 *sustainable communities strategy adopts a resolution authorizing*  
15 *the—surcharge additional fee amount. A resolution by the*  
16 *Metropolitan Transportation Commission or the Association of*  
17 *Bay Area Governments to—impose the—surcharge authorize the*  
18 *additional fee amount shall be jointly adopted by resolution of*  
19 *both of those entities, and the revenue from the—surcharge*  
20 *additional fee amount shall be divided in accordance with an*  
21 *agreement between these two entities. A resolution by a county*  
22 *transportation commission or a subregional council of governments*  
23 *within the jurisdiction of the Southern California Association of*  
24 *Governments shall be jointly adopted by resolution of both of the*  
25 *entities, and the revenue from the—surcharge additional fee amount*  
26 *shall be divided in accordance with an agreement between the two*  
27 *entities. The—surcharge additional fee shall apply to an original*  
28 *vehicle registration occurring on or after six months following the*  
29 *adoption of the resolution by the metropolitan planning*  
30 *organization, council of governments, or a county transportation*  
31 *commission and a subregional council of governments jointly*  
32 *preparing a sustainable communities strategy and to a renewal of*  
33 *registration with an expiration date on or after that six-month*  
34 *period.*

35 (b) All revenue received pursuant to subdivision (a) shall be  
36 used by the metropolitan planning organization, the council of  
37 governments, or a county transportation commission and a  
38 subregional council of governments jointly preparing a subregional  
39 sustainable communities strategy solely to develop a sustainable  
40 communities strategy or a regional blueprint plan to identify land

1 use strategies to reduce the use of motor vehicles in its jurisdiction  
2 and *carry out applicable transportation-related activities necessary*  
3 *to implement the plan, and* thereby achieve the greenhouse gas  
4 emission reduction target as specified in Section 65080, and to  
5 implement a sustainable communities strategy or regional blueprint  
6 plan that achieves the greenhouse gas emission reduction target  
7 as specified in Section 65080. If the ~~surcharge~~ *additional fee*  
8 exceeds one dollar (\$1), all amounts above one dollar (\$1) in a  
9 jurisdiction with a population greater than 300,000 shall be used  
10 to provide grants to cities, counties, ~~and cities and counties~~ *cities*  
11 *and counties, and congestion management agencies* for planning  
12 and projects related to the implementation of a regional blueprint  
13 plan. The metropolitan planning organization, the council of  
14 governments, or a county transportation commission and a  
15 subregional council of governments jointly preparing a subregional  
16 sustainable communities strategy shall transmit 5 percent of all  
17 ~~surcharge revenue it receives pursuant to Section 9250.6 of the~~  
18 ~~Vehicle Code~~ *revenue it receives from the first one dollar (\$1) of*  
19 *the additional fee imposed pursuant to this section* to the Planning  
20 Advisory and Assistance Council within the Office of Planning  
21 and Research to perform the functions specified in subdivision (f)  
22 of Section 65040.6.

23 (c) The metropolitan planning organization, the council of  
24 governments, or a county transportation commission and a  
25 subregional council of governments jointly preparing a subregional  
26 sustainable communities strategy, may, pursuant to an agreement  
27 with the local air quality management district that has responsibility  
28 over the jurisdiction, divide revenues received pursuant to this  
29 section jointly with the local air quality management district.

30 (d) All revenue received by the local air quality management  
31 district pursuant to subdivision (c) shall be used to assist local and  
32 regional governments in reducing greenhouse gas emissions.  
33 Appropriate manners of assistance include, but are not limited to,  
34 all of the following:

35 (1) Assistance in the development of a subregional sustainable  
36 communities strategy.

37 (2) Assistance in the development of local greenhouse gas  
38 emission inventories.

39 (3) Assistance in the development of greenhouse gas emission  
40 reduction strategies in general plans.

1 (4) Development and assistance of CEQA guidelines and review  
2 of greenhouse gas emissions in CEQA analyses.

3 (5) Consultation and development of local climate action plans.

4 (6) Project specific consultation work to reduce greenhouse gas  
5 emissions from local transportation and land use decisions.

6 (e) For purposes of this section, a sustainable communities  
7 strategy and an alternative planning strategy shall both be  
8 considered to be a regional blueprint.

9 *SEC. 4. Section 41081 of the Health and Safety Code, as*  
10 *amended by Section 2 of Chapter 707 of the Statutes of 2004, is*  
11 *amended to read:*

12 41081. (a) Subject to Article 3.7 (commencing with Section  
13 53720) of Chapter 4 of Part 1 of Division 2 of Title 5 of the  
14 Government Code, or with the approval of the board of supervisors  
15 of each county included, in whole or in part, within the Sacramento  
16 district, the Sacramento district board may adopt a surcharge on  
17 the motor vehicle registration fees applicable to all motor vehicles  
18 registered in those counties within the Sacramento district whose  
19 boards of supervisors have adopted a resolution approving the  
20 surcharge. The surcharge shall be collected by the Department of  
21 Motor Vehicles and, after deducting the department's  
22 administrative costs, the remaining funds shall be transferred to  
23 the Sacramento district. Prior to the adoption of any surcharge  
24 pursuant to this subdivision, the district board shall make a finding  
25 that any funds allocated to the district as a result of the adoption  
26 of a county transportation sales and use tax are insufficient to carry  
27 out the purposes of this chapter.

28 (b) The surcharge shall not exceed six dollars (\$6).

29 (c) After consulting with the Department of Motor Vehicles on  
30 the feasibility thereof, the Sacramento district board may provide,  
31 in the surcharge adopted pursuant to subdivision (a), to exempt  
32 from all or part of the surcharge any category of low-emission  
33 motor vehicle.

34 (d) Funds received by the Sacramento district pursuant to this  
35 section shall be used by that district as follows:

36 (1) The revenues resulting from the first four dollars (\$4) of  
37 each surcharge shall be used to implement reductions in emissions  
38 from vehicular sources, including, but not limited to, a clean fuels  
39 program and motor vehicle use reduction measures.

(2) The revenues resulting from the next two dollars (\$2) of each surcharge shall be used to implement the following programs that achieve emission reductions from vehicular sources and off-road engines, to the extent that the district determines the program remediates air pollution harms created by motor vehicles on which the surcharge is imposed:

(i) Projects eligible for grants under the Carl Moyer Memorial Air Quality Standards Attainment Program (Chapter 9 (commencing with Section 44275) of Part 5).

(ii) The new purchase, retrofit, repower, or add-on of equipment for previously unregulated agricultural sources of air pollution, as defined in Section 39011.5, within the Sacramento district, for a minimum of three years from the date of adoption of an applicable rule or standard, or until the compliance date of that rule or standard, whichever is later, if the state board has determined that the rule or standard complies with Sections 40913, 40914, and 41503.1, after which period of time, a new purchase, retrofit, repower, or add-on of equipment shall not be funded pursuant to this chapter. The district shall follow any guidelines developed under subdivision (a) of Section 44287 for awarding grants under this program.

(iii) The new purchase of schoolbuses pursuant to the Lower-Emission School Bus Program adopted by the state board.

(iv) An accelerated vehicle retirement or repair program that is adopted by the state board pursuant to authority granted hereafter by the Legislature by statute.

(e) Not more than 5 percent of the funds collected pursuant to this section shall be used by the district for administrative expenses.

(f) No project funded by the program shall be used for credit under any state or federal emissions averaging, banking, or trading program. No emission reduction generated by the program shall be used as marketable emission reduction credits or to offset any emission reduction obligation of any person or entity. Projects involving new engines that would otherwise generate marketable credits under state or federal averaging, banking, and trading programs shall include transfer of credits to the engine end user and retirement of those credits toward reducing air emissions in order to qualify for funding under the program. A purchase of a low-emission vehicle or of equipment pursuant to a corporate or a controlling board's policy, but not otherwise required by law,

1 shall generate surplus emissions reductions and may be funded by  
2 the program.

3 (g) This section shall remain in effect only until January 1, 2015,  
4 and as of that date is repealed, unless a later enacted statute, that  
5 is enacted before January 1, 2015, deletes or extends that date.

6 *(h) If the Sacramento district requests an increase in the*  
7 *surcharge authorized by subdivision (a) for the purpose of*  
8 *transferring the additional revenue generated to a metropolitan*  
9 *planning organization, a council of governments, or a county*  
10 *transportation commission and a subregional council of*  
11 *governments jointly preparing a sustainable communities strategy,*  
12 *the Sacramento district shall not be subject to the conditions on*  
13 *that authorization contained in this section.*

14 *SEC. 5. Section 44223 of the Health and Safety Code is*  
15 *amended to read:*

16 44223. (a) In addition to any other fees specified in this code,  
17 the Vehicle Code, and the Revenue and Taxation Code, a district,  
18 except the Sacramento district, which has been designated by the  
19 state board as a state nonattainment area for any pollutant emitted  
20 by motor vehicles may levy a fee of up to two dollars (\$2) on motor  
21 vehicles registered within the district. A district may impose the  
22 fee only if the district board adopts a resolution providing for both  
23 the fee and a corresponding program for the reduction of air  
24 pollution from motor vehicles pursuant to, and for related planning,  
25 monitoring, enforcement, and technical studies necessary for the  
26 implementation of, the California Clean Air Act of 1988 (Chapter  
27 1568 of the Statutes of 1988).

28 (b) In districts with nonelected officials on their boards, a  
29 resolution adopted pursuant to subdivision (a) shall be approved  
30 by both a majority of the board and a majority of the board  
31 members who are elected officials.

32 (c) A fee imposed pursuant to this section shall become  
33 effective on either April 1 or October 1, as provided in the  
34 resolution adopted by the board pursuant to subdivision (a).

35 *(d) If a district requests an increase in the surcharge authorized*  
36 *by subdivision (a) for the purpose of transferring the additional*  
37 *revenue generated to a metropolitan planning organization, a*  
38 *council of governments, or a county transportation commission*  
39 *and a subregional council of governments jointly preparing a*

1 *sustainable communities strategy, the district shall not be subject*  
2 *to the conditions on that authorization contained in this section.*

3 *SEC. 6. Section 44225 of the Health and Safety Code, as*  
4 *amended by Section 3 of Chapter 707 of the Statutes of 2004, is*  
5 *amended to read:*

6 44225. A district may increase the fee established under Section  
7 44223 to up to six dollars (\$6). A district may increase the fee only  
8 if the following conditions are met:

9 (a) A resolution providing for both the fee increase and a  
10 corresponding program for expenditure of the increased fees for  
11 the reduction of air pollution from motor vehicles pursuant to, and  
12 for related planning, monitoring, enforcement, and technical studies  
13 necessary for the implementation of, the California Clean Air Act  
14 of 1988 is adopted and approved by the governing board of the  
15 district.

16 (b) In districts with nonelected officials on their governing  
17 boards, the resolution shall be adopted and approved by both a  
18 majority of the governing board and a majority of the board  
19 members who are elected officials.

20 (c) An increase in fees established pursuant to this section shall  
21 become effective on either April 1 or October 1, as provided in  
22 the resolution adopted by the board pursuant to subdivision (a).

23 (d) This section shall remain in effect only until January 1, 2015,  
24 and as of that date is repealed, unless a later enacted statute, that  
25 is enacted before January 1, 2015, deletes or extends that date.

26 (e) *If a district requests an increase in the surcharge authorized*  
27 *by subdivision (a) for the purpose of transferring the additional*  
28 *revenue generated to a metropolitan planning organization, a*  
29 *council of governments, or a county transportation commission*  
30 *and a subregional council of governments jointly preparing a*  
31 *sustainable communities strategy, the district shall not be subject*  
32 *to the conditions on that authorization contained in this section.*

33 ~~SEC. 4.~~

34 *SEC. 7. Section 75125 of the Public Resources Code is*  
35 *amended to read:*

36 75125. The council shall do all of the following:

37 (a) Identify and review activities and funding programs of  
38 member state agencies that may be coordinated to improve air and  
39 water quality, improve natural resource protection, increase the  
40 availability of affordable housing, improve transportation, meet

1 the goals of the California Global Warming Solutions Act of 2006  
2 (Division 25.5 (commencing with Section 38500) of the Health  
3 and Safety Code), encourage sustainable land use planning, and  
4 revitalize urban and community centers in a sustainable manner.  
5 At a minimum, the council shall review and comment on the  
6 five-year infrastructure plan developed pursuant to Article 2  
7 (commencing with Section 13100) of Chapter 2 of Part 3 of  
8 Division 3 of the Government Code and the State Environmental  
9 Goals and Policy Report developed pursuant to Section 65041 of  
10 the Government Code.

11 (b) Recommend policies and investment strategies and priorities  
12 to the Governor, the Legislature, and to appropriate state agencies  
13 to encourage the development of sustainable communities, such  
14 as those communities that promote equity, strengthen the economy,  
15 protect the environment, and promote public health and safety,  
16 and is consistent with subdivisions (a) and (c) of Section 75065.

17 (c) Provide, fund, and distribute data and information to local  
18 governments and regional agencies that will assist in developing  
19 and planning sustainable communities.

20 (d) Manage and award grants and loans to support the planning  
21 and development of sustainable communities, pursuant to Sections  
22 75127, 75128, and 75129. To implement this subdivision, the  
23 council may do all of the following:

24 (1) Develop guidelines for awarding financial assistance,  
25 including criteria for eligibility and additional consideration.

26 (2) Develop criteria for determining the amount of financial  
27 assistance to be awarded. The council shall award a revolving loan  
28 to an applicant for a planning project, unless the council determines  
29 that the applicant lacks the fiscal capacity to carry out the project  
30 without a grant. The council may establish criteria that would allow  
31 the applicant to illustrate an ongoing commitment of financial  
32 resources to ensure the completion of the proposed plan or project.

33 (3) Provide for payments of interest on loans made pursuant to  
34 this article. The rate of interest shall not exceed the rate earned by  
35 the Pooled Money Investment Board.

36 (4) Provide for the time period for repaying a loan made  
37 pursuant to this article.

38 (5) Provide for the recovery of funds from an applicant that fails  
39 to complete the project for which financial assistance was awarded.

1 The council shall direct the State Controller to recover funds by  
2 any available means.

3 (6) Provide technical assistance for application preparation.

4 (7) Designate a state agency or department to administer  
5 technical and financial assistance programs for the disbursing of  
6 grants and loans to support the planning and development of  
7 sustainable communities, pursuant to Sections 75127, 75128, and  
8 75129.

9 (e) No later than July 1, 2010, and every year thereafter, provide  
10 a report to the Legislature that shall include, but is not limited to,  
11 all of the following:

12 (1) A list of applicants for financial assistance.

13 (2) Identification of which applications were approved.

14 (3) The amounts awarded for each approved application.

15 (4) The remaining balance of available funds.

16 (5) A report on the proposed or ongoing management of each  
17 funded project.

18 (6) Any additional minimum requirements and priorities for a  
19 project or plan proposed in a grant or loan application developed  
20 and adopted by the council pursuant to subdivision (c) of Section  
21 75216.

22 (7) In making recommendations pursuant to subdivisions (a)  
23 and (b) and in providing data and information pursuant to  
24 subdivision (c), the council shall consult with and coordinate its  
25 recommendations with the Planning Advisory and Assistance  
26 Council created pursuant to Section 65040.6 of the Government  
27 Code.

28 ~~SEC. 5.~~

29 *SEC. 8.* Section 9250.6 is added to the Vehicle Code, to read:

30 9250.6. (a) ~~In addition to any other fees specified in this code,~~  
31 ~~the Health and Safety Code, and the Revenue and Taxation Code,~~  
32 ~~a surcharge of one dollar (\$1) or two dollars (\$2) may be imposed~~  
33 ~~by a metropolitan planning organization, a council of governments,~~  
34 ~~or a county transportation commission and a subregional council~~  
35 ~~of governments jointly preparing a subregional sustainable~~  
36 ~~communities strategy pursuant to subparagraph (C) of paragraph~~  
37 ~~(2) of subdivision (b) of Section 65080. These fees shall be paid~~  
38 ~~to the department as follows:~~

39 (1) ~~Upon initial registration on or after the date the department~~  
40 ~~begins collecting the fee for a motor vehicle not previously~~



1 registered in this state that is registered to an owner with an address  
2 in the jurisdiction of the metropolitan planning organization, the  
3 council of governments, or the county transportation commission  
4 and the subregional council of governments jointly preparing a  
5 subregional sustainable communities strategy requesting imposition  
6 of the surcharge.

7 (2) ~~Upon renewal of registration of a motor vehicle to an owner~~  
8 ~~with an address in the jurisdiction of the metropolitan planning~~  
9 ~~organization, the council of governments, or the county~~  
10 ~~transportation commission and the subregional council of~~  
11 ~~governments jointly preparing a subregional sustainable~~  
12 ~~communities strategy requesting imposition of the surcharge for~~  
13 ~~which the registration period expires after the date the department~~  
14 ~~begins collecting the fee.~~

15 (b) ~~Prior to the adoption of a surcharge pursuant to this section,~~  
16 ~~the metropolitan planning organization, the council of governments,~~  
17 ~~or the county transportation commission and the subregional~~  
18 ~~council of governments jointly preparing a subregional sustainable~~  
19 ~~communities strategy shall approve the imposition of the surcharge~~  
20 ~~through the adoption of a resolution, as specified in Section 65083~~  
21 ~~of the Government Code.~~

22 (c) ~~The metropolitan planning organization, the council of~~  
23 ~~governments, or the county transportation commission and the~~  
24 ~~subregional council of governments jointly preparing a subregional~~  
25 ~~sustainable communities strategy shall pay for the costs identified~~  
26 ~~by the department to administer the surcharge. After deducting~~  
27 ~~those costs, the department shall transmit the surcharge revenue~~  
28 ~~quarterly to the metropolitan planning organization, the council~~  
29 ~~of governments, or the county transportation commission and the~~  
30 ~~subregional council of governments jointly preparing a subregional~~  
31 ~~sustainable communities strategy. The department shall, if~~  
32 ~~requested by a local air quality management district pursuant to~~  
33 ~~Section 65083 of the Government Code and Section 9250.2 or~~  
34 ~~9250.17, collect an additional fee of one dollar (\$1) or two dollars~~  
35 ~~(\$2), and transmit that additional fee revenue to the local air~~  
36 ~~quality management district quarterly, after deducting its costs~~  
37 ~~incurred in administering the additional fee from that revenue.~~

38 (d)

39 (b) (1) The metropolitan planning organization, the council of  
40 governments, or the county transportation commission and the

1 subregional council of governments jointly preparing a subregional  
2 sustainable communities strategy *and the local air quality*  
3 *management district* shall contract with the department to pay for  
4 the initial setup and programming costs identified by the  
5 department. *For an agency that is not the first agency to authorize*  
6 *the additional fee, the department shall require an additional*  
7 *amount to reflect each agency's per capita share of the setup costs*  
8 *if the costs for the first agency are substantially higher than those*  
9 *for subsequent agencies. These additional amounts shall be paid*  
10 *to the first agency establishing the additional fee.*

11 (2) These initial setup and programming costs shall be  
12 reimbursed to the metropolitan planning organization, the council  
13 of governments, or the county transportation commission and the  
14 subregional council of governments jointly preparing a subregional  
15 sustainable communities strategy from ~~surcharge revenues~~ *the*  
16 *additional fee revenue* collected.